

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO EASTERN  
DIVISION

UNITED STATES OF AMERICA	:	
	:	CASE NO. CR 2:07 cr 236
v.	:	
	:	JUDGE FROST
ERIN M. STEWART	:	

STATEMENT OF FACTS IN SUPPORT OF PLEAS OF GUILTY TO COUNTS 3 & 4

The Defendant, ERIN STEWART, age 34, of Fleming, Ohio, defrauded the U.S. Department of the Treasury, Internal Revenue Service, for the tax year 2002 by knowingly and willfully signing and subscribing under penalties of perjury, a false U.S. Income Tax Return which she well knew was not true and correct as to every material matter by failing to report an estimated \$209,060 of her income for that tax year. Proofs at trial would show that the defendant was well aware that all income was required to be set forth on her tax returns, and that she did not include the funds misappropriated from her mother as income on her returns notwithstanding the fact that she treated that money in the same manner as other income she received which she did report on her tax returns. In other words, criminal conduct typically involves secret, criminally derived income that, for many practical reasons, the perpetrator would never dream of setting forth on her tax returns, but which, on reflection after the fact, the defendant well understands that it was in fact income to her and should have been on the returns.

The unreported income was misappropriated by ERIN STEWART from Judith O'Maille. Judith O'Maille is ERIN STEWART'S mother and a resident of Marietta, Ohio. ERIN STEWART

misappropriated monies from retirement accounts previously established for her mother by her father by systematically creating unauthorized withdrawals over several years, typically in the form of electronic wires from annuity accounts titled only to Judith O'Maille. These annuity accounts were held at a Columbus, Ohio, based investment company.

Specifically, as charged in Count 4 of the Indictment, on or about August 26, 2002, ERIN STEWART transmitted or caused to be transmitted by means of wire in interstate commerce, writings, signs or signals in the nature of moneys or funds in the amount of \$5,195.07 to be sent from the State of Texas to the State of Ohio for the purpose of executing a scheme and artifice to defraud her mother. The money went from Judith O'Maille's annuity account to an account titled "Stewart Cabinetry," which is a company owned by ERIN STEWART'S husband, Jeffrey Stewart, and where ERIN STEWART kept the company's books and records. Judith O'Maille was not an authorized signer on the Stewart Cabinetry account and therefore did not have access to those wired, misappropriated, funds.

For the years 2000, 2001 and 2002 ERIN STEWART caused false tax returns to be filed for herself and her husband that substantially under-reported their income. With the additional money from her mother's accounts, ERIN STEWART and her husband substantially enhanced their standard of living, and also purchased automobiles, boats, and Caribbean vacations for themselves.

In addition to the harm caused to the Internal Revenue Service, Defendant ERIN STEWART has caused severe financial harm to her mother.

That concludes my statement of facts, Your Honor.